

STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL SERVICES DIVISION  
P.O. Box 942850  
Sacramento, CA 94250-5878

DATE: August 20, 2003

PERSONNEL LETTER # 03-011  
(CIVIL SERVICE ONLY)

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief  
Personnel/Payroll Services Division

RE: JULY 1, 2003 GENERAL SALARY INCREASE - ALL UNITS EXCEPT UNITS 05, 08, 16 AND 19

Pursuant to the memorandum of understandings, the Department of Personnel Administration (DPA) has approved a general salary increase (GSI) for rank and file classes/ranges in all the bargaining units except Units 05, 08, 16 and 19. Also, DPA has established and added Alternate Range Criteria (ARC) 285 to the rank and file classes in which confidential and E97 designated employees exist. Both the GSI and alternate range change are effective on July 1, 2003. Refer to DPA Pay Letter 03-10 for further information.

The GSI and range change will occur via Employment History (EH) mass updates or manually for the employees who cannot be included in the mass updates (see below). All rank and file designated employees (CBID R01-R04, R06, R07, R09-R15, R17, R18, R20, R21, E01-E04, E06, E07, E09-E15, E17, E18, E20, E21) will be included in the GSI updates. All confidential and E97 designated employees will be included in the range change update. The range change for rank and file employees will be included in the GSI update.

Unless problems are encountered, the GSI should be reflected in the August 2003 master payrolls for employees those EH records are updated by the mass update processes. A separate adjustment payment for the 07/2003 and first half 08/2003 pay periods will be issued. See below for further information on the retroactive payments.

I. EH MASS UPDATE PROCESSES

A. General Information

The salary increase shall be documented via the EH GEN transaction with a 07/01/03 effective date. The GEN transaction will reflect the GSI within the employee's base salary rate.

For R06/E06 employees, the GEN transaction will also reflect the rate increase for the Unit 06 Educational Incentive Pay (Pay Differential 44) and Senior Peace Officer Pay Differential (Pay Differential 164). See the DPA Pay Letter 03-10 for information on the rate increases.

The alternate range change shall be documented via the EH 335 transaction with a 07/01/03 effective date for confidential and E97 designated employees. The range change for rank and file employees shall be reflected in the GEN transaction.

B. EH Mass Updates

Three EH mass updates will be processed. The first will occur the night of August 20, 2003 (Wednesday). The second and third mass updates will occur the following night (Thursday, August 21, 2003) before the August master payroll run. The first update will post the 07/01/03 effective date GEN transaction for all rank and file employees except R06/E06 employees and employees in the ARC 285 classes.

On Thursday night, August 21, 2003, the second update will post the 07/01/03 effective date GEN transaction for R06/E06 employees and rank and file employees in the ARC 285 classes. The third

update of that night will post the 07/01/03 effective date 335 transaction for the confidential and E97 designated employees. Departments will be responsible for ensuring the GSI and alternate range change are reflected, as appropriate, on transactions key entered on/after August 25, 2003.

Turnaround (TAD) PARs will be issued from the three mass update processes and will include the 07/01/03 effective date 505 retirement change transaction that was processed on June 28, 2003. TAD PARs for employees in the 505 transaction mass update process and not receiving the GSI will also be generated. The TAD PARs will be released on a flow basis.

## II. EH MANUAL UPDATE PROCESS

PPSD and departments will need to manually update the EH records of employees who cannot be included in the above mass updates.

### A. PPSD

PPSD will manually update the EH records of employees who were rejected from the mass updates. Also, the second and third GSI mass updates do not include any employee with a plus salary rate, or with an out-of-sequence EH record (i.e., EH record reflects transactions with an effective date after 07/01/03), or who separated before 07/01/03 with lump sum extending into the 07/2003 pay period. PPSD will manually update the EH records of these employees.

The manual process will begin on August 21, 2003. TAD PARs will be issued from the manual update process as the employees' EH records are updated. If a TAD PAR for an employee is not received within 10 days after receiving the majority of the TAD PARs for your department, please contact the Personnel Operations Liaison Unit at (916) 322-6500.

### B. Departments

Departments will need to manually update the EH records of employees meeting the following situations:

#### 1. Employees under the 9/12, 10/12 or 11/12 pay plan

If the employee is on work status as of July 1, 2003, process a 07/01/03 effective date GEN transaction. When key entering the GEN transaction for a 9/12 or 11/12 employee, the new GSI rate must be entered. If the salary rate is not entered, the rate will be computed incorrectly by the EH on-line system.

If the employee is not on works status as of July 1, 2003, process a SAL transaction effective the date the employee returns to work status. Enter the new GSI rate on the SAL transaction.

#### 2. Employees in the Brand Inspector classification (class code 0303) who have a various salary range (Item 350, Special Pay, Code V).

Submit a 07/01/03 effective date GEN transaction to PPSD due to special processing requirements. Also, enter the new GSI rate on the GEN PAR transaction.

#### 3. Employees in the Limited Examination and Appointment Program (LEAP) Candidate Classification (class code 4687)

If the employee is performing the duties of a parallel classification designated to receive the GSI, process a 07/01/03 effective date SAL transaction with the new GSI rate entered on the transaction.

## III. SPECIAL EH DOCUMENTATION/PROCESSING INSTRUCTIONS

- Once the employees' EH records are updated, the 07/01/03 GEN transaction could create an 'out-of-sequence' condition. Salary rate, if allowed, must be entered on any new out-of-sequence transaction. Otherwise, the 07/01/03 GSI rate will be reflected on the transaction and could create an overpayment situation. Refer to the PAM Section 9 for further processing information.

- If an out-of-sequence condition involves the 07/01/03 effective date 505 transaction for employees in an ARC 285 class, an "invalid range" error message will generate on the 505C transaction. The 505C and remaining out-of-sequence transaction package will need to be submitted to PPSD for processing.
- Transactions with a 07/01/03 effective date that were keyed before the 07/01/03 effective date GEN transaction and now need correcting must have the GSI Code O entered on the corrected transaction to denote the old salary rate. Key enter an alpha 'O' in the GSI field on the PAR1 update screen. Failure to enter the GSI Code 'O' could result in an incorrect base salary rate (i.e. overpayment).
- Per DPA, the MSA transaction shall be applied before a salary range change. Thus, the 07/01/03 effective date MSA transaction must be posted on an employee's EH record before the 07/01/03 effective date GEN transaction. Therefore, key enter the GSI Code 'O' on the MSA transaction to denote old salary rate. Key enter an alpha 'O' in the GSI field on the PAR1 update screen. Failure to enter the GSI Code 'O' could result in an incorrect base salary rate and anniversary date on the MSA transaction (i.e., overpayment).

#### IV. PAYROLL ADJUSTMENTS

Adjustments for the 07/2003 pay period and first half 08/2003 pay period regular payments (except as noted below) and regular overtime payments (i.e., non-FLSA overtime pay) that have already been issued will be automatically made once the employees' EH record are updated for the GSI. For employees updated via the EH mass updates, the adjustments will be made in a special payroll cycle issue dated August 25, 2003. It is anticipated that only the retroactive pay period adjustments will be issued in the special cycle. However, the possibility exists that other payments may also issue.

Due to the large volume of adjustment payments, extra days are needed to package and release the payments to departments. It is anticipated that the payments will be released beginning on August 27, 2003. Employees on direct deposit should have their retroactive pay posted to their accounts by August 27, 2003.

The release of daily payrolls issue dated August 26, 2003 through August 28, 2003 will also be delayed by one to two days. This could impact a department's ability to issue timely separation pay as required by Labor Code Section 201, 202 and 219. Consequently, salary advances may need to be issued. Also, please note, the 08/2003 pay period military leave payments may be delayed as well since the payments will be issue dated August 28, 2003.

Employees in the manual update process will have their regular and non-FLSA overtime pay adjustments issued once their EH records are updated. Departments will need to submit Form STD. 674/674D to request adjustments for the following payments that have been issued for the 07/2003 and first half 08/2003 pay periods.

- Regular pay with dock applied for employees with a mid-month change
- Regular pay for employees on alternate work schedules or paid from a shift designated agency code and time paid does not equal time possible for the pay period
- Industrial Disability (IDL)
- Temporary Disability (TD)
- Nonindustrial Disability Leave (NDI) if benefits begin in the 07/2003 pay period
- NDI Annual Leave Supplementation
- Out-of-class pay
- Supplemental premium/pay differential pay if the pay has a rate change effective July 1, 2003 (see DPA Pay Letter 03-10 for the affected pay differentials)

- Supplemental premium/pay differential pay if the pay rate is based on a percentage of the employee's base salary rate PPSD will attempt to develop an automated process to issue adjustments for FLSA overtime and holiday pay.  
A Payroll Letter will be issued with further information.

#### V. RETROACTIVE CHARGES

All transactions as a result of the July 1, 2003 GSI/range change are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass updates should not be reflected on the Monthly Retroactivity Report. The EH transactions, except the GEN transaction, and payroll transactions that are key entered or initiated by PPSD and departments will appear on the department's report. The department can return the report identifying the items associated with the GSI/range change along with the appropriate explanation.

#### VI. TELEPHONE CONTACTS

Questions regarding the GSI/range change and the EH/payroll processing information can be directed as follows:

SUBJECT AREA	CONTACT	TELEPHONE NUMBER
Salary Program	DPA	(916) 324-0439
EH Procedures	Personnel Operations Liaison Unit	(916) 322-6500
Payroll Procedures	Payroll Liaison Unit	(916) 323-3081
Disability Procedures	Disability Liaison Unit	(916) 322-3619

JRH:SH/PMAB